

VILLAGE OF GAGETOWN
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

VILLAGE OF GAGETOWN

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Shannon & Buffett, LLP

Chartered Professional Accountants

Garry L. Armstrong, CPA, CA Claude C. Leger, CPA, CA
Ron W. Sauntry, CPA, CA

March 21, 2022

Independent Auditors' Report

To the Mayor and Members of the Council:

Opinion

We have audited the accompanying consolidated financial statements of the Village of Gagetown (the Village) which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Village of Gagetown as at December 31, 2021 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for the Public Sector.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Village in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements taken as a whole. The schedules contained in notes 17, 18 and 19 respectively are presented for purposes of additional information and are not a required part of the consolidated financial statements. Such information, except for the portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures only to the extent necessary to form an opinion on the consolidated financial statements taken as a whole.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for the Public Sector, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Village's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Village's financial reporting process.

Continued...

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Village's ability to continue as a going concern; if we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Village to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants

VILLAGE OF GAGETOWN

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
<u>Financial assets:</u>		
Cash (note 3)	\$ 519,251	\$ 405,448
Accounts receivable:		
Other	4,743	17,712
Federal Government and its agencies	81,844	66,894
Provincial Government	<u>30,000</u>	<u>38,911</u>
	<u>635,838</u>	<u>528,965</u>
<u>Liabilities:</u>		
Short-term bank debt (note 4)	66,489	-
Accounts payable and accrued liabilities	144,547	169,023
Deferred revenue (note 9)	152,680	51,660
Long-term debt (note 6)	<u>756,000</u>	<u>830,000</u>
	<u>1,119,716</u>	<u>1,050,683</u>
Net debt	<u>(483,878)</u>	<u>(521,718)</u>
<u>Non-financial assets:</u>		
Tangible capital assets (note 7)	7,064,702	6,991,381
Accumulated amortization (note 7)	<u>(3,746,518)</u>	<u>(3,524,953)</u>
	3,318,184	3,466,428
Prepaid expenses	<u>34,708</u>	<u>-</u>
	<u>3,352,892</u>	<u>3,466,428</u>
Accumulated surplus	\$ <u>2,869,014</u>	\$ <u>2,944,710</u>

APPROVED BY:

 Mayor

 Clerk or Treasurer

VILLAGE OF GAGETOWN

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 2021

	(Unaudited)		
	2021	2021	2020
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue:			
Property tax warrant	\$ 913,532	\$ 913,532	\$ 909,482
Services provided to other governments (page 21)	44,554	44,025	46,520
Sale of services, fines and other fees (page 21)	8,600	16,312	10,588
Community funding and equalization	2,345	2,345	2,438
Other government transfers (page 21)	805	48,313	26,101
Sewerage user fees	66,150	62,074	62,725
Other (page 21)	1,200	2,125	7,185
Interest	<u>350</u>	<u>938</u>	<u>776</u>
	<u>1,037,536</u>	<u>1,089,664</u>	<u>1,065,815</u>
Expenditures:			
General government services (page 22)	237,576	112,124	236,267
Protective services (page 23)	309,473	293,817	312,111
Transportation services (page 24)	463,797	442,028	358,585
Environmental health (page 25)	59,974	66,011	64,519
Public health & welfare (page 25)	6,035	7,814	3,156
Environmental development (page 25)	54,399	29,155	28,581
Recreation and cultural services (page 25)	91,249	92,269	96,143
Sewerage services (page 26)	<u>126,398</u>	<u>122,142</u>	<u>72,856</u>
	<u>1,348,901</u>	<u>1,165,360</u>	<u>1,172,218</u>
Annual surplus (deficit) (note 17)	\$ <u>(311,365)</u>	(75,696)	(106,403)
Accumulated surplus, beginning of year		<u>2,944,710</u>	<u>3,051,113</u>
Accumulated surplus, end of year		\$ <u>2,869,014</u>	\$ <u>2,944,710</u>

VILLAGE OF GAGETOWN

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
Annual surplus (deficit)	\$ <u>(75,696)</u>	\$ <u>(106,403)</u>
Acquisition of tangible capital assets	(73,321)	(8,864)
Amortization of tangible capital assets	221,565	230,000
Decrease (increase) in prepaid expenses	<u>(34,708)</u>	<u>26,623</u>
	<u>113,536</u>	<u>247,759</u>
Change in net debt	37,840	141,356
Net debt, beginning of year	<u>(521,718)</u>	<u>(663,074)</u>
Net debt, end of year	\$ <u><u>(483,878)</u></u>	\$ <u><u>(521,718)</u></u>

VILLAGE OF GAGETOWN

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
Operating transactions:		
Annual surplus (deficit)	\$ (75,696)	\$ (106,403)
Non-cash item:		
Amortization	221,565	230,000
Change in deferred revenue	101,020	48,995
Change in prepaid expenses	(34,708)	26,623
Change in accounts receivable	6,930	3,524
Change in accounts payable	<u>(24,476)</u>	<u>20,449</u>
	<u>194,635</u>	<u>223,188</u>
Capital transactions:		
Acquisition of tangible capital assets	<u>(73,321)</u>	<u>(8,864)</u>
Financing transactions:		
Long-term debt repayment	(74,000)	(84,000)
Increase (decrease) in bank debt	<u>66,489</u>	<u>-</u>
	<u>(7,511)</u>	<u>(84,000)</u>
Net increase (decrease) in cash	113,803	130,324
Cash, beginning of year	<u>405,448</u>	<u>275,124</u>
Cash, end of year (note 3)	<u>\$ 519,251</u>	<u>\$ 405,448</u>

VILLAGE OF GAGETOWN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

1. Reporting entity:

The municipality was incorporated as a Village by the Province of New Brunswick under the Municipalities Act. As a municipality, the Village is exempt from income tax under the Canadian Income Tax Act.

2. Significant accounting policies:

(a) Basis of accounting -

The consolidated financial statements of the Village are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The consolidated financial statements reflect assets, liabilities, revenues, expenditures and changes in net debt and cash flows of the reporting entity. The reporting entity comprises all organizations and enterprises accountable for the administration of their affairs and resources to the Village and which are owned or controlled by the Village.

Interdepartmental and organizational transactions and balances have been eliminated.

(b) Budget -

The budget figures contained in these financial statements were approved by Council on November 4, 2020 and the Minister of Local Government on November 16, 2020.

(c) Revenue recognition -

Unrestricted revenue is recorded on an accrual basis and is recognized when collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Other revenue is recorded when it is earned and collection is reasonably assured.

(d) Use of estimates -

The preparation of the consolidated financial statements in conformity with Canadian accounting standards for Public Sectors requires management to make estimates that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known. Actual results may differ from those estimates.

(e) Cash and cash equivalents -

Cash and cash equivalents include cash on hand, balances with banks and short-term deposits with original maturities of three months or less.

VILLAGE OF GAGETOWN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

2. Significant accounting policies (continued):

(f) Tangible capital assets -

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost of the tangible capital asset is amortized on a straight-line basis over the estimated useful life as follows:

<u>Asset type</u>	<u>Years</u>
Land improvements	15-30 years
Buildings	25-40 years
Roads, streets, sidewalks and storm sewers	15-40 years
Vehicles	5-15 years
Machinery and equipment	5-40 years
Sewerage infrastructure	25-75 years

Assets under construction are not amortized until the asset is available for productive use.

Amortization commences in the year after acquisition.

There is no amortization in the year of disposal.

(g) Segmented information -

The Village is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the Village's operations and activities are organized and reported by function. Municipal services are provided by departments as follows:

General government services

This department is responsible for the overall governance and financial administration of the Village. This includes council functions, general and financial management, legal matters and compliance with legislation as well as civic relations.

Protective services

This department is responsible for the provision of policing services, fire protection, emergency measures, animal control, and other protective measures.

Transportation services

This department is responsible for common services, roads and streets maintenance, street lighting, traffic services, parking and other transportation related functions.

Environmental health services

This department is responsible for the provision of waste collection and disposal.

Public health

This department relates to the revenues and expenses related to the community health clinic.

Environmental development services

This department is responsible for planning and zoning, community development, tourism and other municipal development and promotion services.

VILLAGE OF GAGETOWN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

2. Significant accounting policies (continued):

(g) Segmented information (continued) -

Recreation and cultural services

This department is responsible for maintenance and operation of recreational and cultural facilities, including the rink, parks and playgrounds and other recreational and cultural facilities.

Sewerage operations

This department is responsible for the maintenance and operation of the sewerage services which includes the maintenance and operation of collection, treatment plants, reservoirs, lagoons and related systems.

3. Cash:

	<u>2021</u>	<u>2020</u>
Internally restricted cash - reserves	\$ 341,824	\$ 111,515
Internally restricted cash - Gas Tax Funds	152,680	51,660
Unrestricted cash	<u>24,747</u>	<u>242,273</u>
	<u>\$ 519,251</u>	<u>\$ 405,448</u>

4. Short-term borrowing:

Interim borrowing for capital:

The municipality has arranged a non-revolving loan at the prime lending rate for the General Capital Fund. The loan is being used to provide interim financing for capital expenditures. This borrowing was approved to a maximum amount of \$1,026,000 for a period of three years under order number 21-0022.

Operating borrowing:

As prescribed in the Local Governance Act, borrowing to finance General Fund operations is limited to 4% of the municipality's previous year operating budget. Borrowing to finance Utility Fund operations is limited to 50% of the operating budget for the year. In 2021, the Municipality has complied with these restrictions.

5. Outstanding authorization to borrow:

The Municipal Capital Borrowing Board has provided authorization to borrow, which the Village has yet to utilize, as follows:

<u>Term</u>	<u>Purpose</u>	<u>Order Number</u>	<u>Date</u>	<u>Amount</u>
15 years	Transportation	21-0022	January 28, 2021	\$300,000

VILLAGE OF GAGETOWN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

6. Long-term debt:

	<u>2021</u>	<u>2020</u>
NB Municipal Finance Corp.		
- 1.45% to 3.75%, due 2021 OIC#04-0075	\$ -	\$ 18,000
- 1.65% to 3.20% due 2032 OIC#15-0087	250,000	269,000
- 5.2% to 5.75% due 2033 OIC#s 17-0087 & 18-0022	<u>506,000</u>	<u>543,000</u>
	<u>\$ 756,000</u>	<u>\$ 830,000</u>

Approval of the Municipal Capital Borrowing Board has been obtained for all debenture debt reported on the consolidated statement of financial position.

Principal payments for the next five years are as follows:

2022	\$ 58,000
2023	59,000
2024	61,000
2025	61,000
2026	64,000

VILLAGE OF GAGETOWN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

7. Tangible capital assets:

	Land	Land Improvements	Buildings	Vehicles and Equipment	Roads and Streets	Infrastructure			2021 Total	2020 Total
						Treatment Facilities	Sewer Collection			
Cost:										
Balance, beginning of year	\$ 210,461	\$ 333,716	\$ 368,878	\$ 1,150,877	\$ 3,276,521	\$ 726,401	\$ 924,527	\$ 6,991,381	\$ 6,982,517	
Additions	-	2,598	-	10,554	60,169	-	-	73,321	8,864	
Balance, end of year	<u>210,461</u>	<u>336,314</u>	<u>368,878</u>	<u>1,161,431</u>	<u>3,336,690</u>	<u>726,401</u>	<u>924,527</u>	<u>7,064,702</u>	<u>6,991,381</u>	
Accumulated amortization:										
Balance, beginning of year	-	198,426	118,236	711,609	1,195,541	672,465	628,676	3,524,953	3,294,953	
Amortization	-	18,201	7,815	99,927	76,428	17,723	1,471	221,565	230,000	
Balance, end of year	-	<u>216,627</u>	<u>126,051</u>	<u>811,536</u>	<u>1,271,969</u>	<u>690,188</u>	<u>630,147</u>	<u>3,746,518</u>	<u>3,524,953</u>	
Net book value of tangible capital assets	<u>\$ 210,461</u>	<u>\$ 119,687</u>	<u>\$ 242,827</u>	<u>\$ 349,895</u>	<u>\$ 2,064,721</u>	<u>\$ 36,213</u>	<u>\$ 294,380</u>	<u>\$ 3,318,184</u>	<u>\$ 3,466,428</u>	

VILLAGE OF GAGETOWN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

8. Accrued pension benefit liability:

The Village and its employees participate in the New Brunswick Municipal Employees Pension Plan (NB MEPP). The NB MEPP is a multiple-employer defined benefit pension plan administered by a board elected by the members under the provisions of the Municipalities Act of New Brunswick. The NB MEPP provides pensions based on length of service and best average earnings.

Actuarial valuations for funding purposes are preformed either annually or triennially depending on the financial position of the NB MEPP. In turn, the actuarial valuations for accounting purposes are based on these figures (with adjustments). The most recent actuarial valuation was prepared as at December 31, 2019 and resulted in an overall NB MEPP accrued benefit obligation of \$135,126,100 on the accounting basis.

The actuarial valuation for accounting purposes was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect management's best estimates. The following summarizes the major assumptions in the valuation as at December 31, 2020:

- the expected inflation rate is 2.10%
- the discount rate used to determine the accrued benefit obligation is 5.55%
- the expected rate of return on assets is 5.55%
- retirement age varies by age and employment category
- estimated average remaining service life (EARS�) is 13.0 years

The actuarial valuation prepared as at December 31, 2019 indicated that the market value of the net assets available for the accumulated plan benefits were less than the present value of these benefits. The pension plan has been granted a solvency deficiency exemption by the Province of New Brunswick. On a going concern valuation basis, the actuarial valuation indicated a plan deficit of \$641,800, a change of \$6,896,200 from the December 31, 2018 deficit of \$7,538,000. Based on the assumptions as at December 31, 2019, the actuary expects the level of employer and employee contributions to be sufficient to fund the current service cost and going concern special payments, as required by the Pension Benefits Act.

VILLAGE OF GAGETOWN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

8. **Accrued pension benefit liability (continued):**

	Estimated January 1, 2021 to <u>December 31, 2021</u>	January 2, 2020 to <u>December 31, 2020</u>
Accrued benefit liability:		
Accrued benefit liability (asset), beginning of year	\$ (15,200)	\$ (9,600)
Pension expense for the year	4,300	4,400
Employer contributions	(9,500)	(8,500)
Adjustment related to prior year estimated amounts	<u>-</u>	<u>(1,500)</u>
Accrued benefit liability (asset), end of year	\$ <u>(20,400)</u>	\$ <u>(15,200)</u>

To summarize, the accrued benefit asset as it relates to the Village of Gagetown is estimated to be \$20,400 as at December 31, 2021. This amount has not been recorded on the Consolidated Statement of Financial Position.

9. **Deferred revenue:**

	<u>2021</u>	<u>2020</u>
Gas Tax Funds	\$ <u>152,680</u>	\$ <u>51,660</u>

VILLAGE OF GAGETOWN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

10. Financial instruments:

The Village's financial instruments consist of cash, receivables, payables and accruals. Unless otherwise noted, it is management's opinion that the Village is not exposed to significant interest, currency or any other risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The Village is subject to credit risk through its accounts receivable. The Village manages credit risk through on-going credit management.

The Village is subject to interest rate risk with regard to its reserve fund savings and the long-term debt which is subject to re-financing.

The Village is subject to liquidity risk, which is the risk of not having enough liquid assets to meet its obligations. The Village mitigates this risk through on-going budgeting and maintaining alternate sources of financing.

11. Employee sick leave benefits:

Employees are not entitled to a cash payment for unused sick leave benefits upon leaving employment. Therefore, there is no unrecorded liability in respect of vested benefits at December 31, 2021.

12. Sewer fund surplus/deficit:

The Municipalities Act requires sewer fund surplus/deficit amounts to be absorbed into one or more of four operating budgets commencing with the second next ensuing year; the balance of the surplus/deficit at the end of the year consists of the following:

	<u>2021</u>	<u>2020</u>
2021 Surplus	\$ 177	\$ -
2020 Surplus	76	76
2019 Surplus	<u>-</u>	<u>40,904</u>
	<u>\$ 253</u>	<u>\$ 40,980</u>

VILLAGE OF GAGETOWN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

13. Interfund balances:

The Department of Local Government requires that short-term inter-fund borrowings be repaid by end of the next year unless the borrowing is for a capital project. An amount due from the Sewer Operating Fund to the General Operating Fund in the prior year was not repaid during 2021. As a result, the interfund balances as at December 31, 2021 are not in compliance with this policy.

14. Subsequent event/contingency:

A worldwide pandemic that began affecting the province of New Brunswick in early 2020, has caused multiple jurisdictions around the world (including the Province of New Brunswick) to declare a state of emergency and impose various restrictions and measures. Potential impacts include disruptions and/or restrictions on employees' ability to work, closing and restructuring business activities within the Municipality, financial hardship of Village residents who use Municipal services, and changes to the daily operating environment. These impacts may continue for some time and may result in increased operating costs to abide by imposed Provincial restrictions and decreases in revenue and/or delays in earning revenue and collecting amounts receivable. The future effects of this pandemic are unknown and may be material, no attempt has been made to adjust reported 2021 balances that may ultimately be affected.

15. Comparative figures:

Certain 2021 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2020.

VILLAGE OF GAGETOWN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

16. Schedule of segment disclosure:

	<u>General</u>	<u>Protective</u>	<u>Transportation</u>	<u>Environmental Health</u>	<u>Environmental Development</u>	<u>Recreation and Culture</u>	<u>Health and Welfare</u>	<u>Sewerage</u>	<u>2021 Total</u>	<u>2020 Total</u>
Revenue:										
Property tax warrant	\$ 198,284	\$ 202,238	\$ 340,593	\$ 54,928	\$ 49,822	\$ 62,570	\$ 5,097	\$ -	\$ 913,532	\$ 909,482
Services provided to other governments	-	44,025	-	-	-	-	-	-	44,025	46,520
Sale of services, fines and other fees	-	30	-	-	12,082	-	4,200	-	16,312	10,588
Community funding and equalization	536	527	831	149	135	153	14	-	2,345	2,438
Transfers from other governments	48,313	-	-	-	-	-	-	-	48,313	26,101
Water and sewer user fees	-	-	-	-	-	-	-	62,074	62,074	62,725
Other	2,125	-	-	-	-	-	-	-	2,125	7,185
Interest	698	-	-	-	-	-	-	240	938	776
	<u>249,956</u>	<u>246,820</u>	<u>341,424</u>	<u>55,077</u>	<u>62,039</u>	<u>62,723</u>	<u>9,311</u>	<u>62,314</u>	<u>1,089,664</u>	<u>1,065,815</u>
Expenses:										
Wages and benefits	81,964	10,945	-	-	-	45,512	-	55,624	194,045	152,489
Goods and services	24,511	194,676	335,341	66,011	29,155	23,826	7,344	47,324	728,188	755,296
Amortization	2,615	77,247	99,108	-	-	22,931	470	19,194	221,565	230,000
Interest - long term debt	3,034	10,949	7,579	-	-	-	-	-	21,562	20,435
Other	-	-	-	-	-	-	-	-	-	13,998
	<u>112,124</u>	<u>293,817</u>	<u>442,028</u>	<u>66,011</u>	<u>29,155</u>	<u>92,269</u>	<u>7,814</u>	<u>122,142</u>	<u>1,165,360</u>	<u>1,172,218</u>
Surplus (deficit)	\$ <u>137,832</u>	\$ <u>(46,997)</u>	\$ <u>(100,604)</u>	\$ <u>(10,934)</u>	\$ <u>32,884</u>	\$ <u>(29,546)</u>	\$ <u>1,497</u>	\$ <u>(59,828)</u>	\$ <u>(75,696)</u>	\$ <u>(106,403)</u>

VILLAGE OF GAGETOWN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

17. Reconciliation of annual surplus:

	General Operating Fund	General Capital Fund	General Capital Reserve	General Operating Reserve	Sewerage Operating Fund	Sewerage Capital Fund	Sewerage Capital Reserve	Total
2021 annual surplus (deficit)	\$ 186,286	\$ (202,371)	\$ 94	\$ 123	\$ (40,727)	\$ (19,194)	\$ 93	\$ (75,696)
Adjustments to 2021 annual surplus (deficit) for funding requirements:								
Second previous year's surplus (deficit)	122,896	-	-	-	40,904	-	-	163,800
Transfers between funds:								
General Operating to General Capital Reserve	(230,000)	-	230,000	-	-	-	-	-
General Operating to General Capital	(73,321)	73,321	-	-	-	-	-	-
Amortization	-	202,371	-	-	-	19,194	-	221,565
Long-term debt principal repayment	(74,000)	74,000	-	-	-	-	-	-
Interim capital borrowing	66,489	(66,489)	-	-	-	-	-	-
Total adjustments	(187,936)	283,203	230,000	-	40,904	19,194	-	385,365
2021 annual fund surplus (deficit)	\$ (1,650)	\$ 80,832	\$ 230,094	\$ 123	\$ 177	\$ -	\$ 93	\$ 309,669

VILLAGE OF GAGETOWN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

18. Statement of reserves:

	General Capital Reserve	General Operating Reserve	Sewer Capital Reserve	Total 2021	Total 2020
Assets:					
Cash	\$ <u>255,508</u>	\$ <u>49,266</u>	\$ <u>37,051</u>	\$ <u>341,825</u>	\$ <u>111,515</u>
Accumulated surplus	\$ <u>255,508</u>	\$ <u>49,266</u>	\$ <u>37,051</u>	\$ <u>341,825</u>	\$ <u>111,515</u>
Revenue:					
Transfer from operating funds	\$ 230,000	\$ -	\$ -	\$ 230,000	\$ 49,000
Interest	<u>94</u>	<u>123</u>	<u>93</u>	<u>310</u>	<u>275</u>
Annual surplus	\$ <u>230,094</u>	\$ <u>123</u>	\$ <u>93</u>	\$ <u>230,310</u>	\$ <u>49,275</u>

VILLAGE OF GAGETOWN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

18. Statement of reserves (continued):

Council resolutions regarding transfers to and from reserves:

At the regular meeting of council December 20, 2021:

- Whereas, Council wishes to move funds from the General Operating Fund to the General Capital Reserve Fund and
- Be it therefore resolved that: The Council of the Village of Gagetown hereby moves to transfer \$230,000.00 from the General Operating Fund to the General Capital Reserve Fund.

Moved by: Deputy Mayor Whipple

Seconded by: Councillor Ryan

With all in favour the motion was passed in December 20, 2021.

I certify that above are true and exact copies of resolutions adopted at the meeting indicated.



Robert White
CAO, Village of Gagetown



Date

VILLAGE OF GAGETOWN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

19. Operating budget to public sector accounting budget:

	<u>General Operating Budget</u>	<u>Sewerage Operating Budget</u>	<u>Amortization Tangible Capital Assets</u>	<u>Transfers</u>	<u>Other</u>	<u>Total</u>
Revenue:						
Property tax warrant	\$ 913,532	\$ -	\$ -	\$ -	\$ -	\$ 913,532
Unconditional grant	2,345	-	-	-	-	2,345
Services to other governments	44,554	-	-	-	-	44,554
Sales of services, fines and other	8,600	-	-	-	-	8,600
Other government transfers	805	-	-	-	-	805
Sewerage service fees	-	66,150	-	-	-	66,150
Interest	200	150	-	-	-	350
Other	1,200	-	-	-	-	1,200
Second prior year surplus	<u>122,896</u>	<u>40,904</u>	<u>-</u>	<u>(163,800)</u>	<u>-</u>	<u>-</u>
	<u>1,094,132</u>	<u>107,204</u>	<u>-</u>	<u>(163,800)</u>	<u>-</u>	<u>1,037,536</u>
Expenditures:						
General government services	232,018	-	2,615	2,943	-	237,576
Protective services	220,816	-	77,247	11,410	-	309,473
Transportation services	357,088	-	99,108	7,601	-	463,797
Environmental health	59,974	-	-	-	-	59,974
Public health and welfare	5,565	-	470	-	-	6,035
Environmental development	54,399	-	-	-	-	54,399
Recreation and cultural services	68,318	-	22,931	-	-	91,249
Sewerage	-	107,204	19,194	-	-	126,398
Fiscal services:						
Long-term debt repayments	74,000	-	-	(74,000)	-	-
Interest on long-term debt	21,704	-	-	(21,704)	-	-
Bank charges	<u>250</u>	<u>-</u>	<u>-</u>	<u>(250)</u>	<u>-</u>	<u>-</u>
	<u>1,094,132</u>	<u>107,204</u>	<u>221,565</u>	<u>(74,000)</u>	<u>-</u>	<u>1,348,901</u>
Surplus (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (221,565)</u>	<u>\$ (89,800)</u>	<u>\$ -</u>	<u>\$ (311,365)</u>

VILLAGE OF GAGETOWN

SUPPLEMENTARY SCHEDULE OF REVENUE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 (Unaudited) <u>Budget</u>	2021 <u>Actual</u>	2020 <u>Actual</u>
Sale of services, fines and other fees:			
Animal licenses	\$ 200	\$ 30	\$ -
Building permits	4,200	12,082	6,388
Building rent	<u>4,200</u>	<u>4,200</u>	<u>4,200</u>
	<u>\$ 8,600</u>	<u>\$ 16,312</u>	<u>\$ 10,588</u>
Services to other governments:			
Province of New Brunswick:			
Fire protection	<u>\$ 44,554</u>	<u>\$ 44,025</u>	<u>\$ 46,520</u>
Other government transfers:			
Province of New Brunswick/Government of Canada:			
Environmental Trust Fund -			
Climate Change Adaptation	\$ -	\$ 5,359	\$ 25,641
Other grants	<u>805</u>	<u>42,954</u>	<u>460</u>
	<u>\$ 805</u>	<u>\$ 48,313</u>	<u>\$ 26,101</u>
Other revenue:			
Miscellaneous	<u>\$ 1,200</u>	<u>\$ 2,125</u>	<u>\$ 7,185</u>

VILLAGE OF GAGETOWN

SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 (Unaudited) <u>Budget</u>	2021 <u>Actual</u>	2020 <u>Actual</u>
General government services:			
Legislative:			
Mayor	\$ 5,307	\$ 4,933	\$ 5,200
Councillors	17,374	15,026	14,000
Other legislative costs	<u>-</u>	<u>180</u>	<u>391</u>
	<u>22,681</u>	<u>20,139</u>	<u>19,591</u>
Administrative:			
Personnel benefits and related costs	88,021	17,023	16,207
Secretary treasurer	57,311	64,941	73,282
Sewer worker wages and related costs	14,792	17,307	16,870
Sewer cost recovery	(41,516)	(84,833)	(12,000)
Office building	15,615	11,076	14,520
Solicitor	2,500	-	5,144
Other	11,475	8,868	20,696
Civic relations	5,550	5,906	1,592
Public liability insurance	12,753	12,701	26,623
Cost of assessment	12,196	12,196	12,141
Grants to organizations	<u>5,775</u>	<u>1,575</u>	<u>1,250</u>
	<u>184,472</u>	<u>66,760</u>	<u>176,325</u>
Financial management:			
External audit	<u>6,500</u>	<u>7,153</u>	<u>6,466</u>
Other:			
Training and civic relations	1,000	1,415	843
Climate Change Adaptation Study	365	7,052	25,641
Bank charges	250	421	1,139
Interest - long term debt	2,693	3,034	2,836
Interest - short term debt	-	695	-
Other fees and taxes	-	2,840	811
Non-recoverable HST	<u>17,000</u>	<u>-</u>	<u>-</u>
	<u>21,308</u>	<u>15,457</u>	<u>31,270</u>
Amortization	<u>2,615</u>	<u>2,615</u>	<u>2,615</u>
	<u>\$ 237,576</u>	<u>\$ 112,124</u>	<u>\$ 236,267</u>

VILLAGE OF GAGETOWN

SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 (Unaudited) <u>Budget</u>	2021 <u>Actual</u>	2020 <u>Actual</u>
Protective services:			
Police - RCMP	\$ <u>104,843</u>	\$ <u>104,843</u>	\$ <u>101,044</u>
Fire:			
Administration	14,762	10,945	9,570
Firefighting force	8,100	7,955	7,175
Fire alarm system	9,435	7,407	11,467
Station and building	11,425	9,401	7,390
Firefighting equipment maintenance	60,251	59,311	79,972
Training	7,000	3,159	3,434
Other	-	2,600	2,257
Interest - long-term debt	<u>11,410</u>	<u>10,949</u>	<u>12,463</u>
	<u>122,383</u>	<u>111,727</u>	<u>133,728</u>
Emergency measures	<u>5,000</u>	<u>-</u>	<u>92</u>
Amortization	<u>77,247</u>	<u>77,247</u>	<u>77,247</u>
	\$ <u><u>309,473</u></u>	\$ <u><u>293,817</u></u>	\$ <u><u>312,111</u></u>

VILLAGE OF GAGETOWN

SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 (Unaudited) <u>Budget</u>	2021 <u>Actual</u>	2020 <u>Actual</u>
Transportation services:			
Common services:			
Administration	\$ 16,151	\$ 62,659	\$ 69,982
General equipment	<u>10,800</u>	<u>-</u>	<u>-</u>
	<u>26,951</u>	<u>62,659</u>	<u>69,982</u>
 Roads and streets:			
Summer maintenance	121,642	102,434	27,438
Winter maintenance	143,745	100,372	82,808
Culverts and drainage ditches	15,000	7,490	396
Storm sewers	10,000	-	-
Other	<u>-</u>	<u>23,072</u>	<u>19,851</u>
	<u>290,387</u>	<u>233,368</u>	<u>130,493</u>
 Street lighting	<u>38,000</u>	<u>36,818</u>	<u>39,589</u>
 Traffic:			
Street signs	1,500	2,496	1,490
Traffic lane markings	<u>250</u>	<u>-</u>	<u>-</u>
	<u>1,750</u>	<u>2,496</u>	<u>1,490</u>
Interest - long-term debt	7,601	7,579	7,972
Amortization	<u>99,108</u>	<u>99,108</u>	<u>109,059</u>
	<u>\$ 463,797</u>	<u>\$ 442,028</u>	<u>\$ 358,585</u>

VILLAGE OF GAGETOWN

SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 (Unaudited) <u>Budget</u>	2021 <u>Actual</u>	2020 <u>Actual</u>
Environmental health:			
Garbage collection	\$ 55,474	\$ 59,208	\$ 60,808
Other garbage disposal and recycling	<u>4,500</u>	<u>6,803</u>	<u>3,711</u>
	<u>\$ 59,974</u>	<u>\$ 66,011</u>	<u>\$ 64,519</u>
Public health and welfare:			
Medical clinic	\$ 5,565	\$ 7,344	\$ 2,686
Amortization	<u>470</u>	<u>470</u>	<u>470</u>
	<u>\$ 6,035</u>	<u>\$ 7,814</u>	<u>\$ 3,156</u>
Environmental development:			
Community planning	\$ 19,399	\$ 19,400	\$ 18,784
Tourism promotion	3,000	3,693	821
Administration and other	<u>32,000</u>	<u>6,062</u>	<u>8,976</u>
	<u>\$ 54,399</u>	<u>\$ 29,155</u>	<u>\$ 28,581</u>
Recreation and culture:			
Administration	\$ 42,090	\$ 45,320	\$ 58,234
Recreation Council - transfers	-	6,500	5,432
Parks and playgrounds	6,650	-	-
Other recreation facilities	19,578	13,763	8,696
Property tax	-	3,755	2,365
Amortization	<u>22,931</u>	<u>22,931</u>	<u>21,416</u>
	<u>\$ 91,249</u>	<u>\$ 92,269</u>	<u>\$ 96,143</u>

VILLAGE OF GAGETOWN

SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 (Unaudited) <u>Budget</u>	2021 <u>Actual</u>	2020 <u>Actual</u>
Sewer collection and disposal:			
Administration	\$ 21,060	\$ 55,599	\$ 11,864
Bad debts (recovery)	3,118	(274)	-
Sewer collection system	21,121	13,007	26,583
Sewer treatment and disposal	58,795	33,295	14,345
Billing discounts	250	670	449
Other	2,860	651	422
Amortization	<u>19,194</u>	<u>19,194</u>	<u>19,193</u>
	<u>\$ 126,398</u>	<u>\$ 122,142</u>	<u>\$ 72,856</u>